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SERVICE SECTOR INDICATORS

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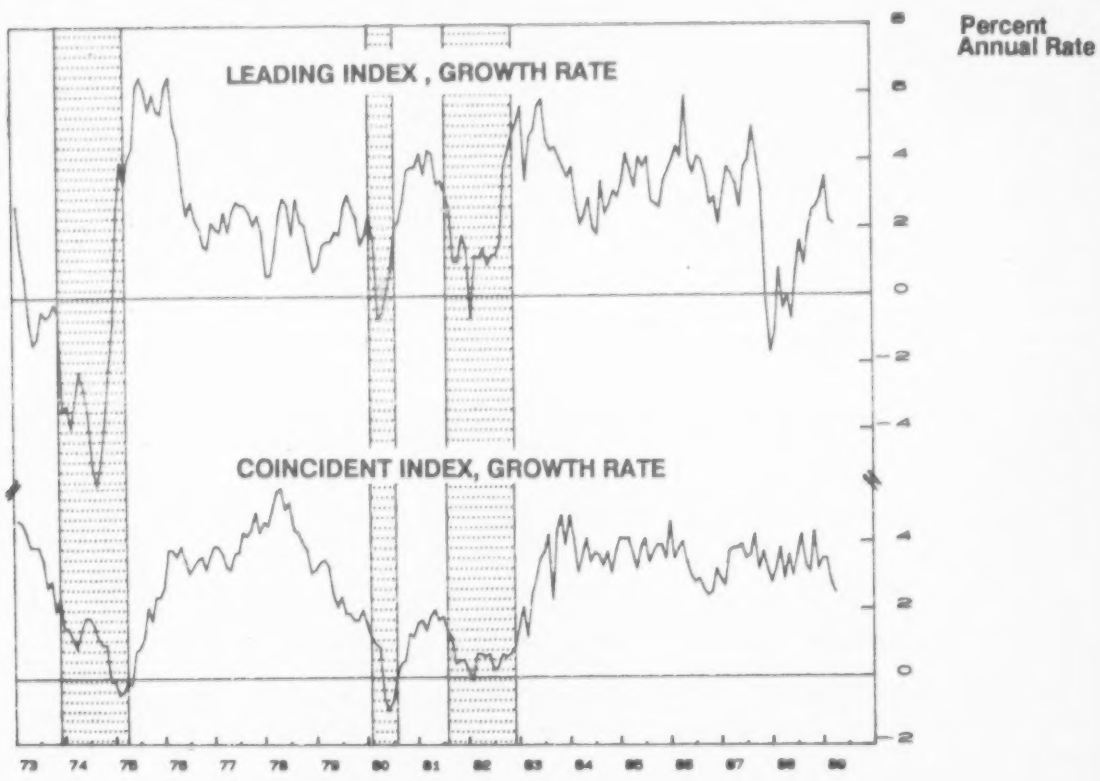
SERVICE SECTOR INDEXES HOLDING STEADY

The leading index of service sector activity rose only slightly in March, with growth at an annualized rate of 2.1%. All four components were stable, with construction contracts for commercial buildings showing a modest rise, offset by small drops in the average workweek, stock prices, and profit margins in the service sector.

The coincident index of service sector activity also held a steady course, growing at an annual rate of 2.5% in March. The growth rate was sustained by small rises in personal consumption expenditures, labor income, and employee hours in the service sector.

Taken together, these signs hold out a promise of slow and steady growth in the service sector in the months ahead.



Shaded areas represent business cycle recessions.

LEADING INDEX OF SERVICES, AND COMPONENTS

	Leading Index (1967=100)	Leading Index Growth Rate (%)	Average Workweek, Services (hours)	Construction Contracts, Commercial Buildings (mil. sq. ft., ann. rate)	S&P Stock Price Index, Services, (Mar. 87=100)	Index of Profit Margins, Services (1982=100)
	1.	2.	3.	4.	5.	6.
1988:						
Jan.	148.5	-1.1	32.88	716	82.3	111.0
Feb.	150.1	0.8	32.94	948	86.0	111.5
Mar.	149.3	-0.4	32.70	771	87.5	111.8
Apr.	149.7	0.0	33.01	718	85.3	110.2
May	149.2	-0.7	32.80	716	83.0	110.7
June	150.4	0.7	32.82	782	89.2	111.0
July	151.2	1.6	33.04	771	88.7	110.6
Aug.	150.7	0.9	32.72	820	87.9	111.4
Sept.	151.4	1.9	32.82	771	91.0	111.4
Oct.	151.9	2.5	33.01	663	94.3	110.2
Nov.	152.0	2.6	32.81	763	91.7	111.7
Dec.	152.5	2.9	32.89	773	92.9	111.0r
1989:						
Jan.	153.4r	3.5r	33.01r	795r	95.2	110.8r
Feb.	152.8r	2.2r	32.73r	671r	98.7	111.5r
Mar.	152.9	2.1	32.67	703	98.5	111.4

COINCIDENT INDEX OF SERVICES, AND COMPONENTS

	Coincident Index (1967=100)	Coincident Index Growth Rate (%)	Services Output, GNP (bil. 1982$, ann. rate)	Services, Personal Consumption Expenditures (bil. 1982$, ann. rate)	Services Labor Income (bil. 1982-84$ ann. rate)	Service Employee Hours (bil., ann. rate)
	7.	8.	9.	10.	11.	12.
1988:						
Jan.	179.5	3.2r	1829.7	1260.7	658.5	106.6
Feb.	180.6	3.8r	1833.4	1268.2	663.3	107.6
Mar.	180.2	2.9	1837.6	1269.0	659.5	107.0
Apr.	181.4	3.6r	1841.9	1269.4	669.5	108.1
May	181.3	3.0	1846.1	1272.0	666.9	107.8
June	182.2	3.6r	1851.7	1283.1	668.9	108.5
July	183.4	4.2	1857.2	1285.9	675.1	109.7
Aug.	183.1	3.3	1862.8	1292.3	671.4	108.9
Sept.	183.4	3.1	1868.3	1288.5	673.8	109.2
Oct.	185.1	4.3r	1873.7	1304.2	682.2	110.3
Nov.	184.6r	3.2r	1879.2	1300.0	676.9	110.0
Dec.	185.4r	3.5r	1880.4	1302.6	682.8	110.8
1989:						
Jan.	186.0r	3.5r	1881.5	1303.1r	686.4r	111.5r
Feb.	185.8r	2.8r	1882.7	1313.0r	681.0r	111.1r
Mar.	186.0	2.5	---	1313.5	682.8	111.2

Note: Cols. 2 and 8. The growth rates are six-month smoothed percent changes at annual rate, based on the ratio of the current month's index to the average for the preceding twelve months. r = revised.

Sources: 3. Bureau of Labor Statistics, Production and non-supervisory workers.
4. McGraw-Hill Company, F.W. Dodge Division. Seasonally adusted by CIBCR.
5. Standard & Poor's Corporation indexes for 13 service industries, compiled by CIBCR.
6. This series is constructed by CIBCR using the price deflator for services consumption, labor income, and an experimental monthly services output index developed by the Federal Reserve Board.
9, 10. Department of Commerce, Bureau of Economic Analysis. Quarterly data for output are interpolated by CIBCR.
11. Bureau of Labor Statistics. Payroll index, 1977 = 100, converted to 1982-84 dollars by CIBCR, using CPI, All Urban Consumers, seasonally adjusted.
12. Bureau of Labor Statistics, all employees.